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MINISTRY OF STEEL, MINES AND FUEL

(Department of Iron and Steel)

RESOLUTION

STEEL RETENTION PRICES

New Delhi, the 1st July 1957

No. SC(A)-2(177)/55.—In their resolution No. SC(A)-2(149)/55, dated the 1st February, 1956, the Government of India have stated that if as a result of changes in railway freight, changes in statutory prices of coal and other fuel, raw materials, stores or machinery and changes in labour costs caused by labour legislation or adjudication or conciliation awards, the manufacturing costs of Tata Iron and Steel Co., and the Indian Iron and Steel Company alter from the 1954-55 level, the companies may represent in the matter and Government will consider such representation on merits. The two companies having represented in the matter in August, 1956, the Tariff Commission was requested to enquire and recommend the increase in prices to be allowed to the two companies.

2. The Tariff Commission has submitted its report. The main recommendations are:—

- (i) that the average retention price payable to Tatas and IISCO for the period 1955-56 to 1959-60 and for all categories of steel taken together should be increased by Rs. 12/- per ton;
- (ii) that the 1954-55 retention price for IISCO should be increased by the same amount and consequently the average amount to be credited by that Company to its Development Fund during the period 1955-56 to 1959-60 will remain unchanged; and
- (iii) that the 1954-55 retention price for Tatas should be increased by Rs. 14 per ton and consequently the average amount to be credited by them to their Development Fund during the period 1955-56 to 1959-60 should be reduced by Rs. 2/- per ton.

3. The Government of India have accepted these recommendations.

ORDER

ORDERED that a copy of this Resolution be communicated to all concerned and that it be published in the Gazette of India Extraordinary, Part I, Section 1, dated the 1st July, 1957.

K S. RAGHUPATHI, Dy. Secy.

MINISTRY OF COMMERCE AND INDUSTRY

RESOLUTION

New Delhi, the 1st July 1957

PLANTATION INQUIRY COMMISSION'S REPORT ON THE TEA INDUSTRY

No. 1(4)Plant(Cell)/56.—Under Notification No. S.R.O. 1281, dated the 17th April, 1954, the Government of India appointed a Commission of Inquiry for a comprehensive investigation of the economic conditions and problems of the tea, coffee and rubber plantation industries in India and to make recommendations to Government on the measures necessary:—

- (a) to secure for the producer a fair price for his produce and to the consumer a fair price for the article he buys;
- (b) to enable the provision of necessary finance for the plantation industries;
- (c) to ensure suitable marketing arrangements; and
- (d) to develop and expand the tea, coffee and rubber plantation industries.

2. In April, 1956, the Commission submitted to Government its Report on the Tea Industry. The Report included a Minute of Dissent by one of the members, Shri K. G. Sivaswamy. Government desire to record their appreciation of the diligence and thoroughness with which the Commission collected voluminous material on all aspects of the tea industry, and have no doubt that the data collected by the Commission will for a long time serve as a mine of information for all who are desirous of acquainting themselves with different aspects of the growing, manufacture and marketing of tea in India. Government also wish to express their regret over the demise of Shri K. G. Sivaswamy whose work in connection with this Commission was one of the last public services rendered by him to the country in the course of a long and devoted life.

3. The recommendations made in the Main Report as well as in the Minute of Dissent comprise a large number of items, and, in view of their far reaching importance, they have been under careful examination of Government in consultation where necessary—with representatives of the industry and the trade as well as with the State Governments. It has been possible for Government to arrive at conclusions on many of the recommendations. As a measure of convenience, the recommendations on which interim or final conclusions have been arrived at are arranged under certain subject headings that appear at the beginning of each section in this Resolution.

A. FINANCE AND TAXATION

1. The Commission have brought out in detail the need for short and long-term finance for the industry and have suggested various methods of meeting these requirements through a number of recommendations. It has been recommended that the Industrial Finance Corporation and Financial Corporations of the States in which tea gardens are situated should meet the demand for long-term finance while the State Bank should be responsive to the needs of the tea companies for the provision of working capital. Government agree in principle that finance should be made available in an adequate measure to the tea industry subject to necessary precautions being taken in the matter of securities against which the loans are advanced. Government also accept the recommendation that the facilities of the State Financial Corporations of either Assam or West Bengal should be extended to Tripura and have requested the Tripura Government to consider the question of setting up a Joint Financial Corporation with either of its neighbouring States.

2. A study of heavily indebted estates by the Tea Board so that those having potential repaying capacity may be redeemed has been suggested as one of the measures for the rehabilitation of Indian-owned gardens. Government agree generally with this suggestion and propose to request the Tea Board to undertake a study of economically weak gardens through a suitable agency which may be set up and make suggestions for their improvement, if gardens come up with a request for an investigation of their affairs. The other steps proposed by the Commission include (a) the setting up of one or more Land Mortgage Corporations and (b) the application by State Governments of statutes similar to Debt Relief Acts and sealing down of liabilities.

As the setting up of a single Land Mortgage Corporation for the tea industry alone would lead to the investment of all its funds in a single industry, the Corporation might find itself in difficulties if at any time there should be instability in the tea market. Government are, therefore, of the view that the rehabilitation of indebted estates could be achieved more easily and with less risk by provision of assistance to gardens through institutional financing for all purposes including liquidation of past debts and it is Government's intention to continue the examination of the problem from this aspect.

3. Government agree that a study of the circumstances in which Indian owned companies have from time to time been wound up would be useful and have asked the Tea Board to undertake a study of the nature suggested. The dissenting member has also suggested a closer scrutiny of the resources and soundness of management of tea companies before and after registration. According to the existing practice, the Tea Board is to satisfy itself regarding the resources of an applicant before permission to undertake the planting of tea is given. An applicant has also to satisfy the Board as to his ability to open and maintain a plantation efficiently. It does not appear to Government that any modification of this procedure is required.

4. It has been suggested that there should be more rigid scrutiny before sanctioning new capital issues for tea companies especially those relating to the conversion of sterling companies into rupee ones. A system of scrutiny of cases of acquisition of sterling estates by rupee companies already exists and Government propose to take all practicable steps to ensure that the standard of scrutiny is further improved.

5. The Commission has recommended that for the purpose of determining the "world price" of tea for fixation of the rate of export duty, the previous six months' weighted average price of Indian tea sold in the London auction may be taken. In the Commission's opinion this would be preferable to the present method under which the World price is determined with reference to the weighted average price of the preceding month's auctions in London. Government feel that the basic issue is not so much the method by which the rate is worked out but the precise figure at which the export duty is fixed with reference to the ability of the commodity to bear a particular rate. Under the present system, in a falling market a substantial reduction during even one month would be reflected in a lowering of the export duty in the immediately following month, whereas a price based on six months' average would defer the application of a lower rate of duty. Government are therefore unable to accept this recommendation, but would continue to be fully responsive to the difficulties that might face the industry at any point of time.

6. In the case of the following recommendations Government are unable to hold that the facts elicited by the Commission would justify the singling out of the tea industry for being treated in a way different from that applicable to all industries in general, and are unable to accept them:—

- (1) All tea companies should be required to seek the permission of the Controller of Capital Issues before increasing their capital either by new issues or by capitalisation of reserves.
- (2) A scrutiny of the prices that has been mutually agreed upon by the seller and the buyer of tea estates should in all circumstances be a pre-requisite to transfer being permitted.
- (3) The Tea Board should certify the reasonableness of revaluation or that revaluations should be done by authorities like the Central Board of Revenue, the Company Law Administration or the Controller of Capital Issues.
- (4) Government should insist upon a system of local audit of expenditure incurred on gardens and branch offices of tea plantations.
- (5) Withdrawals from reserve funds (other than dividend equalisation reserve) for the purpose of declaring of dividend should cease.
- (6) Managing Agency system should be abolished in so far as Indian owned gardens are concerned.

B. INDUSTRIAL RELATIONS, WAGES & LABOUR WELFARE

1. The Commission has recommended that voluntary negotiations should be made by duly elected agents and that a procedure should be laid down to the effect that such negotiations should be through works committees or trade unions as the case may be. Government are in favour of differences between employers

and employees being settled by voluntary negotiations, wherever possible, before any proceedings under the Industrial Disputes Act are instituted. In regard to the employment of elected bargaining agents, Government consider that the present method of negotiations being conducted between the management and the representatives of unions or, where no unions exist, by duly elected representatives of workers may continue.

(2) The Commission has recommended that the law should provide for a procedure for reference of disputes to Tribunals, that there should be some provision for fixing a time limit for the disposal of such references by Tribunals, and that section 33 of the Industrial Disputes Act should be amended so as to afford protection only where an attempt at victimisation is established. The objectives of these recommendations have in a large measure been already achieved by the Industrial Disputes (Amendment and Miscellaneous Provisions) Act, 1956. Government are broadly in agreement with the Commission that excessive use of Tribunals should be avoided, and they will commend to State Governments the Commission's observations for such action as may be feasible.

3. It has been suggested by the Commission that the ban imposed against legal practitioners appearing before Industrial Tribunals should be removed. Government have come to the conclusion that in the interest of all concerned it is desirable that the existing prohibition should continue.

4. It has been recommended by the Commission that the Tea Board should set up an Advisory Service for organising the education of workers and the training of new recruits to the labour staff. Government consider that "in service" training is useful, but it can be provided only—so far as the tea industry is concerned—by the employer himself.

5. The Commission has suggested that Government should take the initiative in organising time and work studies with the assistance of labour and employers. While such studies are of value in any industry, Government feel that in the tea industry there are more urgent problems to which attention will have to be given for some time to come before the implementation of this recommendation can be considered.

6. The Commission has recommended that representatives of Employers and Employees on Minimum Wages Committees should be elected and not appointed. The present practice is that interests concerned are consulted in making such appointments, and Government do not think that a change in this system is called for.

7. In regard to the Commission's recommendations about the necessity of making State Advisory Committees the only agency for fixation and revision of minimum wages and constitution of Standing Wages Committee to advise Government at regional and State levels, Government consider that Tripartite Committees/Boards are the most suitable agencies for deciding wage questions.

8. Government accept the recommendation of the Commission that the State Governments should, while phasing the implementation of the Plantation Labour Act particularly the provisions relating to constructions in tea gardens, keep in view the felt needs of the workers in each region and the availability of building material both from the regional as well as the national point of view. Government agree that, as far as practicable, locally available material—provided it is suitable—should be used on construction works in plantations.

9. It has also been recommended that to meet the capital expenditure necessary for housing programme for labour under the Plantation Labour Act, Government loans should be made available to the industry at rates of interest and on terms of repayment as available to other industries under the Industrial Housing Scheme. Further, in this matter the smaller planters should be given priority. The Plantation Labour Housing Scheme under which loans are advanced to State Governments who would grant, suitable loans to planters for building houses for their resident workers has been in force since April 1956. It has been decided that bigger planters who might be considered by the State Government to be deserving of help should not be debarred from loan assistance under this scheme. In case, however, the demand for loans from planters exceeds the funds allocated to the State Government, priority should obviously be given to the smaller planters.

10. The Minute of Dissent has suggested that medical relief, maternity benefit and benefits under the Workmen's Compensation Act should all be brought under the Employees's State Insurance Scheme. Government are of the view

that it would be premature at this stage to consider any major modification in the quantum and incidence of benefits as laid down under the Plantation Labour Act and Rules.

11. It has been recommended that instead of ensuring the provision of welfare amenities in plantations through the Plantation Labour Act a better method would be to set up a Plantation Labour Welfare Organisation financed by a cess on tea. Government have examined this recommendation and are of the view that, it is not necessary to establish such an Organisation since provision has already been made for welfare measures in the Plantation Labour Act and all that is necessary is the proper enforcement of the law. The State Governments have, therefore, been advised to set up a special administrative machinery with an Advisory Committee consisting of representatives of employers and workers for the purpose.

12. The Commission has recommended that when an estate is sold, the undischarged statutory liabilities of the sellers should be assessed by the State Government and the amount required for the discharge of these liabilities should be recovered from the seller. Government consider that when a property is sold by one private party to another, the latter can be depended upon to take into account liabilities that are legally enforceable, and Government have little doubt that in practice the buyer of a tea estate will make his own assessment of the additional expenditure he would have to incur by taking over the garden along with its undischarged liabilities. Under the Law the current owner is responsible for the liabilities and there is no reason to hold that their fulfilment would be prejudiced by the fact that the previous owner is not required by law to pay for the undischarged liabilities before transfer is sanctioned.

13. The following suggestions of the Commission will be examined in the appropriate Ministry as general issues affecting the organisation of labour in all industries and such action will be taken as may be feasible and appropriate:

- (a) An independent conciliation service should be set up.
- (b) An independent tribunal service should be constituted under the Ministry of Law.
- (c) Works Committees should be elected.
- (d) Such Works Committees may decide disputes if they are submitted to them by both parties voluntarily, and in such event the Committees should work on the basis of unanimous decision.
- (e) The management representative on the Works Committees should be a senior officer;
- (f) The Worker's representative on the Works Committees should have a six-year term, with provision for retirement of one-third of their number every two years.
- (g) Tension existing in the industry can be solved if the following conditions were created in the working of trade unions:—
 - (i) a democratic procedure;
 - (ii) a single union in an undertaking;
 - (iii) Outsiders be permitted to act as advisers and not as office bearers—except in federations;
 - (iv) whole-time trained Secretaries for each primary union;
 - (v) conduct of elections to the executive by State Agency;
 - (vi) insistence on realisation of membership fee;
 - (vii) funds to be deposited into an authorised account;
 - (viii) violations of agreements, illegal strikes, and lockouts and unfair practices by labour or employers to be punishable in law;
 - (ix) a proper procedure for strikes.
- (h) Every deed of transfer should contain an express stipulation to the fact that the buyer of a tea estate assumes the sellers' liabilities to workers and this assumption of responsibility should be specifically communicated to each employee under advice to the State Labour Commissioner.

C. MARKETING

1. The Commission has recommended that a special investigation of the difficulties of the small packaging firms should be undertaken. Government accept this recommendation and propose to ask the Tea Board to take up this investigation with a view to assisting the small packers to overcome their problems and to enhance the standard of their service to the consumer.

An associated recommendation of the Commission is that a ceiling of annual turnover of 6 million lbs. of tea or the average of the last three years, business (whichever is more) should be imposed on packing firms. In Government's opinion the interests of the internal consumer would not be served by imposing such a ceiling, and they are, therefore, unable to accept this recommendation.

2. The Commission has referred to what it considers to be the high price of package tea and has observed that it should be brought down so as to increase internal consumption.

3. The Commission does not appear to contemplate the imposition of price control, nor do Government consider that such a step is called for at the present time. Government would, however, ask the Chairman, Tea Board, to study the price structure of retail packets from time to time and to adopt appropriate methods or to make necessary recommendations to Government when it appears that prices are disproportionately high.

4. The Commission has suggested that the goal should be to reduce the sale of loose tea and to increase the proportionate share of package tea. In the opinion of Government it would be premature to adopt this line for early implementation. Not only would it lead to loss of business for a large number of individuals operating in the loose tea market, but it would also be likely to result in a reduction in the aggregate consumption of tea within the country by giving rise to an increase in the price of tea.

5. The Commission has also recommended that the Tea Board should assume responsibility for the administration of public warehouses in Calcutta. Government agree that the Tea Board should be asked to take early action for assuming the responsibility for the management of these public tea warehouses in Calcutta. Similar action in Cochin may be deferred until it appears that circumstances require this step.

6. The Commission has recommended that the Tea Board should look into the question of warehousing and brokerage charges. On an examination of the case Government do not think that there is any urgent necessity for an investigation of warehousing charges. If any specific complaints are brought to the notice of either Government or the Tea Board, the matter will be fully looked into.

7. Government agree that the functions of the Marketing and Tea Export Promotion Directorate and Export Promotion Committee which have been recommended by the Commission to be set up are important, but feel that the objective could be achieved without the multiplication of committees and Directorates. The purpose could be served by improving the existing mechanism and Government propose to follow up the present recommendation on these lines.

8. Government consider that the abolition of export quota system for tea would not be conducive to the best interest of the industry or the trade but intend to make such changes in the method of allotment and transfer of quotas as would eliminate or reduce abuses.

9. The Commission has also recommended that the Tea Board should assume the function of the regulation of sale of tea in the Cochin and Calcutta auctions. Government do not consider that the regulation of sales in Calcutta or Cochin by the Tea Board is a matter of high priority although they desire the liaison between the Board and the bodies set up by the trade should become closer. The question of using statutory powers would be taken up if and when circumstances justify it.

10. Promulgation of rules for dealing with the disposal of tea waste and licensing of tea dealers have been recommended by the Commission. Proposals in connection with these matters are under Government's examination and Government hope to finalise them very soon.

11. The dissenting member has suggested an immediate enquiry into the transactions of private sales and forward contracts of tea. Government are unable to agree that either the quantities involved in private sales or the normal practice of the industry in this matter justify an enquiry.

12. Government do not disagree with the view of the Commission that it would be desirable to keep in existence the machinery provided by the International Tea Agreement, and they have always been prepared to continue to be a party to this Agreement on terms that are acceptable to all the participants.

13. One of the recommendations of the Commission is that the Tea Board should make arrangements for packing and cheap distribution of 50 per cent of the package tea consumed in India. Government do not consider that retail distribution is a suitable field of operation for the Tea Board which should, on the contrary, adopt all practicable measures for the development of the package tea industry.

(D) DEVELOPMENT AND RESEARCH

1. The Commission has recommended that, as a measure of making technical advice available to the smaller tea estates the Tea Board should set up an Advisory Service and should also constitute regional Advisory Committees to facilitate the work of these services. The dissenting Member has recommended that, while the Tea Research Station set up by the Indian Tea Association at Tocklai in the district of Jorhat should receive every encouragement, a national Research Station should be set up in another region in Assam. Government are of the view that instead of setting up Advisory Services which would lead to a great deal of unnecessary overlapping with similar Services that have been set up by the industry itself, the Tea Board would be better advised to assist the latter to expand further both in strength and in quality and to make the benefits of these Services available to smaller gardens by granting financial assistance where necessary. A scheme of this nature is already in operation in North East India as well as in South India. Government desire that all these efforts should be intensified.

2. The Commission has suggested that the Experimental Tea Farm at Palampur in the district of Kangra should be transferred by the Punjab Government to the Tea Board for developing it into an efficient demonstration unit for the benefit of the producers in the region. Government are concerned about the broader issue of a scheme being drawn up to assist the tea industry in Kangra and the neighbouring areas, and have already asked the Tea Board to prepare such a scheme in consultation with the interests concerned. The transfer of the Experimental Farm at Palampur will be considered in that context.

3. The dissenting Member has made a further recommendation that model farms of 1,000 acres each with attached research facilities, should be conducted in different regions. In the opinion of Government this recommendation does not take into account practical considerations. However, the Tea Board would be advised to provide research stations, which would necessarily require an attached plantation area, at places where they are likely to be useful to the tea industry particularly to the small growers.

4. Government have examined the recommendation of the Commission that a Directorate of Research should be set up under the Tea Board to carry out and co-ordinate research activities. The proposed functions of such a Directorate are already being discharged by the Board's Ad Hoc Committee on Tea Research.

5. The dissenting Member has recommended that extension of tea area should not be permitted to a garden whose acreage is already substantial, and has suggested that the ceiling may be fixed at a figure of somewhere around 800 to 1,000 acres. The rules already promulgated by Government provide that where an applicant estate has more than 500 acres under tea, no extension permit should be granted by the Tea Board without Government's prior approval. An absolute prohibition of extension beyond a pre-determined figure is not justified.

6. The Commission has recommended that the Tea Board should undertake a study of cost data for keeping the industry informed about its economy, efficiency and competitive position. Government agree and propose to ask the Tea Board to set up a cost of production unit as early as possible.

7. In regard to the recommendation that the Tea Board should undertake arrangements for provision of Selected tea seeds and good planting material, Government are of the view that an assessment of the requirement should first be made and propose to request the Tea Board to investigate the matter.

8. Regarding the recommendation of the Commission that the question of evolving a method of replanting on steep hillsides in a satisfactory manner in South India should be pursued by the industry and the Tea Board, Government propose to ask the latter to examine in consultation with producers' associations and experts the problems that remain to be solved in that connection.

9. The dissenting member has also suggested the target of 20,000 acres for replanting each year for 15 years. This view does not appear to take into account the fact that the fixation of any particular figure might be rendered largely theoretical by changing circumstances every year. It does not therefore seem practicable to Government to prescribe a rigid target of replanting either annually or over a period of years though Government are in favour of every step being taken to ensure adequate renovation of the assets represented by the tea bushes.

(E) SMALL GROWERS

1. It has been suggested in the Report that the smaller growers should be organised into primary agricultural credit societies for the benefit of members. The Commission has also recommended that such co-operative should be granted assistance on the lines of what is prevalent in Ceylon. Finally the Commission has suggested that the Tea Board should promote co-operative efforts amongst growers and manufacturers. The formation of co-operative societies on the basis of State partnership for processing and marketing of tea has been recommended. The Tea Act, 1933, already provides that promotion of co-operative efforts amongst growers and manufacturers of tea is one of the lines along which the development of tea industry may be attempted. Government, therefore, have no difficulty in accepting this recommendation in principle, and desire that action on these general lines should be taken by the Tea Board wherever there appears to be a reasonable prospect of success for co-operative societies—especially for the benefit of small growers. Government also agree that where bonafide small producers join together in a co-operative society to operate a factory, they should be given every encouragement and assistance.

2. Government have examined the view of the Commission that development and manufacture of smaller capacity machinery to suit small producers should be encouraged. While the Report itself and information obtained from producers' Associations do not seem to establish that the production of smaller sized machinery is felt as an urgent need by the industry (even by the organisations representing the small growers), Government propose to ask the Tea Board to bring under review the problems connected with the supply of machinery to tea gardens in general and the expansion of indigenous manufacture in particular.

3. Government consider the recommendation of the Commission to the effect that the smaller companies might combine together to operate a cadre of trained staff to be impracticable, as long as the companies are completely independent of each other—as they must necessarily be.

4. The Commission has expressed the view that the field Advisory staff of the Tea Board should work in close association with the field staff of the Registrar of Co-operative Societies where producers' Co-operatives have been constituted. It has further been suggested that the Registrar may delegate certain Supervisory powers to the staff of the Tea Board. The Tea Act confers adequate powers on the Tea Board for dealing with producers as such, and these powers can be enhanced when required. Government do not consider it desirable that powers under the Co-operative Societies Act should be partially or wholly vested in the staff of the Tea Board but, where producers' co-operative societies exist or are formed in future, the Registrar of Co-operative Societies and the Tea Board should maintain the closest possible liaison.

5. The Commission has recommended that voluntary amalgamation of small gardens should be given every encouragement. The dissenting Member has, in a slightly different approach, proposed that small holdings should be consolidated and their sub-division below an economic size should be prohibited. With the

first of these three items Government have every sympathy and accept it. In regard to the consolidation of holdings, Government propose to examine the matter further in consultation with Governments of the States in which similar measures have been adopted in respect of agricultural holdings so as to decide whether the principles applicable to such cases can be extended to tea gardens. Government are unable to accept the third item on account of the practical difficulty of relating size to the economic or uneconomic character of a tea estate.

(F) MISCELLANEOUS

1. The dissenting member has recommended that there should be an Advisory Committee in the Tea Board to deal with complaints of consignors against joint steamer companies in North East India. Government consider that it is always open to an aggrieved party to bring its complaints to the notice of the Tea Board or Government and that, therefore, there is no necessity for an Advisory Committee to deal with this matter under the Tea Board.

2. It has been suggested by the Commission that the Central Excise Authorities should consider the possibility of allowing gardens to set up godowns where "duty paid" teas can be stored pending removal for despatch. There are certain objections to general permission being granted for "duty paid" godowns and godowns for teas on which the excise duty has not yet been paid, to be set up in close proximity to each other or within the same enclosure. Notwithstanding this, however, Collectors of Central Excise have already been given discretion to accord such permission at places where difficulties of communications are serious and where quick clearance of teas for loading cannot be ensured in any other way. Any garden desirous of having this discretion exercised in its favour is free to approach the appropriate Collector of Central Excise.

3. The Commission has referred to the desirability of increasing the number of Indians being appointed in the managerial cadres of companies owned or managed by non-Indians. This recommendation is in line with Government's own wishes and Government hope that the substantial progress that has been made in this direction during the last three years will be maintained.

4. Both in the Main Report and in the Minute of Dissent suggestions have been made as to the laying down of precise rules or principles in regard to bonus. Government are of the view that the issues such as dividend limitation, statutory reserves and profit sharing cannot appropriately be taken up for one industry in isolation from the rest of the industrial field, and these items have, therefore, to be held over until the fundamental principles are taken up for all industries. In the meantime bonus schemes have to continue to be decided as heretofore, viz., by discussions and negotiations, and where necessary, by adjudication. Utilisation of profits in a manner that may be looked upon as either socially wrong or economically wasteful can be dealt with—as has been done in the past—by fiscal measures.

5. The Commission has suggested that the Tea Board should be empowered to examine cases of excessively high remuneration paid to managerial and senior staff in tea companies, and exert its influence in bringing about a reduction. Government's desire to see a reduction in disparities in income both by voluntary action by employers and by taxation measures has been declared publicly more than once, but it is not considered justifiable or expedient to impose further specific restrictions upon persons employed in the tea industry alone when similar restrictions are not in operation elsewhere.

6. In discussing the fixation of tasks the Commission has recommended that there should be no discrimination in the distribution of such tasks and that the tasks should be fixed through a democratic procedure. The Commission has also expressed the opinion that productivity will improve if more attention is paid to job classification and job contents and evaluation of skills. The existing procedure of task fixation ensure that any deviation from accepted norms can be made only by common consent or by independent adjudication, and Government do not consider that any change is called for. As regards systematic categorisation of jobs, the Directorate General of Resettlement and Employment is now engaged in collecting occupational information in various regions and when this task has been completed the second part of the recommendation can be considered.

7. The Commission has recommended that the Tea Board should organise courses of training for people who contemplate making tea production a career either as proprietors or employees. It is understood that the Tea Board is in the process of

assisting in the organisation of certain courses of training in garden management at the Jorhat Agricultural College. Government consider that the actual working of the scheme should be awaited before the Board expands similar facilities further in North and South India.

8. The Commission has drawn attention to the multifarious registers and records that have to be maintained by gardens for the purpose of submitting returns of various classes to a number of authorities and it has been suggested that a special Committee should be set up with a view to devising a uniform set of registers and to reducing their number. Government agree in principle that avoidable duplication and overlapping is undesirable and that for this purpose such standardisation of forms and returns as may be practicable should be achieved. In the opinion of Government this is an item of work that can suitably be undertaken by the Tea Board and a special Committee is not necessary.

9. The Commission has recommended certain structural changes in the Board so as to enable it to discharge its expanded functions. Government will take decision on these recommendations after the nature and degree of expansion of the Board's activities become assessable and appropriate proposals are received from the Board.

10. Government agree with the Commission regarding the importance of the permanent and year-round maintenance of the railway line connecting Dhubri with the Central Doars. The Commission's recommendations in this connection have been brought to the notice of the Committee set up by the Ministry of Railways to investigate the question of stabilising the Assam Rail link.

11. Action will be taken to the extent possible regarding the provision of suitable accommodation for storage of tea at rail heads as well as the provision of adequate number of wagons for transporting tea in South India. Instructions have already been issued to ensure the supply of leak-proof wagons.

12. The following recommendations of the Commission have been brought to the notice of the appropriate State Governments since their implementation rests with them:—

- (1) The Assam Taxation (on Goods carried by Road or Inland Waterways) Act, 1954 and the West Bengal Taxes on Entry of Goods in Local Areas Act, 1955 constitute an excessive burden upon the Industry and should be abolished.
- (2) Labour Officers should be precluded from taking up any complaints unless they are forwarded through the management, works committees or trade unions.
- (3) Conciliation Officers should, on receipt of a complaint from the workers, obtain a report from the management and also, if necessary, hold discussions with them before calling the two parties together for a joint discussion; and
- (4) Attention should be given to the importance of the recruitment and proper training of Conciliation Officers;
- (5) All standing orders should be framed by negotiation and not changed by the certifying officers unless they become the subject of a dispute.
- (6) The possibility of using Employment Exchanges for the recruitment of Labour in tea gardens should be explored by the State Governments and employers' organisations.
- (7) It is necessary to improve road communications in the Tea Districts in North East India.
- (8) The piece rate for plucking should be higher in the cold season or in recently pruned areas.
- (9) The plucking rate should be fixed in such a way that it enables a worker to earn atleast the minimum wage in a normal working day.
- (10) The plucking rate should be equal for men, women and adolescents.
- (11) Statutory provisions relating to weekly rest and maximum number of hours per week for labour should be flexible.

13. The following suggestions of the Committee will be brought to the notice of the industry:—

- (1) It is desirable that tea companies adopt the issue of debentures as a source of finance for future capital.
- (2) The possibility of forming a co-operative insurance company to be explored.

- (3) The desirability of more good quality tea being offered for sale at the Calcutta and Cochin Auctions.
- (4) Tea Companies should adopt the healthy practice of purchasing stores through competitive tenders.
14. The following recommendations of the Commission are under examination:
 - (1) The Tea Board should have the power to enforce standards of husbandry and improved practices of manuring and pest control etc.
 - (2) Tea gardens should be required to lay aside every year a certain sum of money for the purpose of financing programmes of replanting, and the amount should be credited each year with Tea Board in a fund called "The Tea Replanting Fund" from which withdrawals should be allowed for purpose of replanting according to a programme approved by the Tea Board.
 - (3) The rates and conditions regarding levy of agricultural income tax on tea plantations in several States should be uniform. The Central income tax authorities should collect the taxes and pass it on to the State Governments.
 - (4) The differential rates of excise duties on packaged and loose tea should be abolished and the old uniform rate of duty of -/3/- Annas per lb. on all teas restored.
 - (5) Local authorities should not levy any rates or taxes on plantations in respect of conservancy, lighting etc. unless they are in a position to provide those services satisfactorily. Wherever employers have to provide these civic services, it would be desirable to manage them through committees on which workers are represented.
 - (6) There should be no ceiling on land holdings for tea plantations.
 - (7) Detailed survey of land resources other than land under tea in the tea growing states at present held by tea plantations should be undertaken by State Governments in collaboration with the Tea Board.
 - (8) There should be a research section in the State Governments to undertake periodical enquiries and supply necessary data for determining the cost of living from time to time.

ORDER

That a copy of the Resolution be communicated to the State Governments and other interests concerned and that it be published in the *Gazette of India* for general information.

S. RANGANATHAN, Secy.

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 29th June 1957.

SUBJECT:—Import of Pre-focussed/types of bulbs falling under Serial No. 250(c)/IV.

D. 46-ITC(P.N.)/57.—Attention of importers is invited to the remark appearing against S. No. 250(c)/IV, in Section II of the I.T.C. Policy Book for the current period, January-June, 1957.

2. In view of the large demand for pre-focussed types of bulbs, it has been decided to delete the words "Upto 20 per cent of the face value of" appearing in the beginning of the remark; the remark as amended, reads as follows:—

"Licences granted for S. No. 250(a)/IV can be utilised for import of this sub-item subject to the price restriction mentioned at (a) above."

3. This amendment will be applicable to all licences issued for the current period and not yet utilised.

S. N. BILGRAMI, Jt. Secy.

